



128th MAINE LEGISLATURE

LD 82

LR 344(02)

An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

State Mandate - Funded

| | FY 2017-18 | FY 2018-19 | Projections FY 2019-20 | Projections FY 2020-21 |
|-----------------------------------|------------|------------|---------------------------|---------------------------|
| Net Cost (Savings) | | | | |
| General Fund | \$0 | \$11,200 | \$4,750,000 | \$4,875,000 |
| Appropriations/Allocations | | | | |
| General Fund | \$0 | \$11,200 | \$4,750,000 | \$4,875,000 |

State Mandates

Required Activity

Requires municipalities to process additional property tax exemption applications as a result of expanding the exemption to veterans receiving a 100% service-connected disability.

Unit Affected

Municipality

Local Cost

Moderate statewide

The required local activities in this bill may represent a state mandate pursuant to the Constitution of Maine. If the bill does require a local unit of government to expand or modify its activities so as to necessitate additional expenditures from local revenue, the state mandate provisions of the Constitution of Maine require either: (1) General Fund appropriations be provided to fund at least 90% of any additional necessitated local costs of the mandate; or (2) a Mandate Preamble be added to the bill and two-thirds of the members of each House vote to exempt the mandate from the funding requirement. If the bill does represent a state mandate and neither one of these actions occurs, the local units of government will not be required to implement the mandated activities.

Fiscal Detail and Notes

This bill provides a 100% property tax exemption to veterans receiving a 100% service-connected disability and municipalities will receive reimbursement for 100% of their property tax loss from the State. The bill includes a General Fund appropriation of \$11,200 in fiscal year 2018-19 to the Department of Administrative and Financial Services to reimburse municipalities for 90% of the mandated administrative costs of implementing this exemption. Additional future General Fund appropriations will be needed beginning in fiscal year 2019-20 to reimburse municipalities for 100% of the exemption.